

EMBASSY OF THE UNITED STATES OF AMERICA

PUBLIC AFFAIRS SECTION

TEL: 880-2-883-7150-4

FAX: 880-2-9881677, 9885688

E-MAIL: DhakaPA@state.gov

WEBSITE: <http://dhaka.usembassy.gov>



REMARKS BY U.S. AMBASSADOR TO BANGLADESH DAN MOZENA FOREIGN INVESTORS CHAMBER OF COMMERCE AND INDUSTRY

**LUNCHEON
NOVEMBER 19, 2012**

Mr. Syed Ershad Ahmed, FICCI President

Mr. Jim McCabe, FICCI Vice President

Mr. M.A. Matin, FICCI Executive Director

Asalaam m'laikum ... and good afternoon.

Today is a special day for me. One year ago today I arrived in Dhaka to take up my new assignment as America's Ambassador to Bangladesh. Many of you may remember my saying then that coming back to Bangladesh was a dream come true for my wife Grace and me. Indeed, this has been a wondrous dream come true for both of us. Thank you, Bangladesh.

I can think of no better place to celebrate my anniversary than right here at FICCI. I come from a farm and business background, so I enjoy the company of businessmen, which is why I enjoy celebrating with you today. I also appreciate that you, the foreign investors here, are key to realizing the vision of Bangladesh as the next Asian Tiger. I believe that you, with your broad perspective of the evolving global economy, can see Bangladesh as I see it ... a land brimming with vast potential and opportunity to become an Asian Tiger, the Royal Bengal Tiger.

So, thank you for helping to make this special day even more special for me.

This past year has been a thrilling one for me. I am pleased that the relationship between America and Bangladesh is today better than ever. When I arrived in Dhaka last November 19, I dragged off the airplane a huge, heavy sack ... it was so heavy that I could hardly pull it ... inside you see was my mandate ... my mandate from Washington ... my mandate to broaden, deepen, strengthen this bilateral relationship. I am happy that we have made some good progress on fulfilling this mandate, but, of course, even more is possible ... "the sky is the limit," as one senior State Department official put it to me.

I spent much of this past year crisscrossing Bangladesh from Tetulia to Teknaf both to assess firsthand the impact of America's engagement in Bangladesh, and to learn more about Bangladesh, its rich diversity, and the wonder of its people as they endeavor to build the Middle-Income Bangladesh. I

see so much energy, dynamism, creativity, and entrepreneurship in every corner of this nation. I see young people introducing innovative new ideas. I see Bangladesh poised to play a key role in fostering intra-regional trade, in realizing the New Silk Road, linking South and Central Asia as part of the Indo-Pacific Corridor. I see opportunities everywhere I go; I see opportunities for investors like you to bring your resources, technology and expertise to help unleash Bangladesh's potential. The more I travel and discover Bangladesh, the more convinced I am that Bangladesh indeed could be/should be the next Asian Tiger.

As I look back over the past year, a highlight for me was the May visit of Secretary of State Hillary Clinton. She came to celebrate America's close partnership with Bangladesh; she came to institutionalize this partnership so it would endure long after her departure from office. Secretary Clinton and Foreign Minister Dipu Moni, under the approving eye of Prime Minister Sheikh Hasina, signed an agreement to establish a Partnership Dialogue to review the relationship annually to ensure that it is advancing the best interests of both America and Bangladesh.

The first annual Partnership Dialogue took place September 19-20 in Washington, and it was a tremendous success. It assessed the strategic direction of our relationship and set goals for the coming year. Foreign Secretary Quayes and Undersecretary of State for Political Affairs Wendy Sherman convened the plenary session and led the discussion of the reports and recommendations of the Dialogue's working groups on development and governance, trade and investment, security and regional integration.

Under the strategic direction of the U.S.-Bangladesh Partnership Dialogue, the partnership between America and Bangladesh has never been stronger nor broader, encompassing now an unprecedented scope and breadth of engagement. The past year has witnessed great strides in this partnership. America is Bangladesh's largest single export market, Bangladesh's largest foreign investor, Bangladesh's third largest source of remittances, and Bangladesh's second largest bilateral development partner.

America is proud to be Bangladesh's strong partner in slashing the maternal and child mortality rates, in enabling Bangladeshis to have the family size they want, thus reducing the fertility rate to near replacement level, in supporting Bangladesh's Agricultural Revolution, which has already made the country rice self-sufficient on its way to food self-sufficiency, in protecting the environment and mitigating the effects of climate change, in enhancing Bangladesh's capacity to secure its maritime and land borders, to deter violent extremism, to reform the police into a community-based force, to protect its citizens from natural disasters, including earthquakes ... this list goes on and on.

I hope I have made my point: America's partnership with Bangladesh is strong and growing; we will do our part in helping Bangladesh build a Middle-Income Bangladesh, a Sonar Bangla, the next

Asian Tiger ... the Royal Bengal Tiger. These are not empty words. Recently, the World Bank released a report that declared Bangladesh could become an alternative to China in the RMG and household textile sectors. Indeed, Bangladesh could replace China as the largest exporter of readymade garments and household textiles ... listen to those words ... can you imagine that?

My travels have revealed so many other areas where Bangladesh is poised to become a major global player: production of generic pharmaceuticals, leather footwear and finished leather products, IT, small ship freighter construction, frozen shrimp, jute, silk and this list, too, goes on and on. Add to this Bangladesh's ongoing Agricultural Revolution and its strategic location as the nexus of intra-regional and Indo-Pacific trade, as I mentioned earlier. Now you see why I am so optimistic about Bangladesh's becoming the next Asian Tiger.

The constraints are well known to us all, including capacity challenges of ports, roads, railroads, energy, power and the challenges of corruption, inadequate rule of law, and the possibility of political instability. These are real challenges, but Bangladesh can overcome each of them.

As you know, last week the American Chamber of Commerce Bangladesh hosted a high powered delegation of international apparel and footwear buyers from the American Chamber of Commerce in Hong Kong. Their message was clear: the RMG, household textile, and footwear industries are leaving China as China surges up the economic development ladder and labor there becomes too expensive. These buyers are scouring Asia looking for new sources of these products. There is a growing number of options ... including Vietnam, Indonesia, Cambodia and increasingly Myanmar ... but these buyers want most to come to Bangladesh. Indeed, they want most to come to Bangladesh ... and I want them to come here, to help Bangladesh emerge as the next Asian Tiger.

The buyers, however, have some important concerns. They are concerned over the slow pace of addressing the infrastructure challenges that I identified a moment ago; they are concerned by the specter of political instability; they are concerned over the situation with labor.

When we asked them to explain their concerns on labor, they cited worries about the predictability of wages, the slow development of mid-level management expertise, poor and unsafe working conditions in some factories, and the potential for widespread labor unrest, like what we saw in Ashulia earlier this year.

This delegation of over 20 buyers representing virtually all of America's major apparel and footwear importers was well aware of rising concerns in both America and Europe about the labor situation in Bangladesh. Europe's Clean Clothes Campaign, which includes Bangladesh as a target, is already taking a toll on these companies' bottom lines.

Meanwhile, in America the review process of Bangladesh's Generalized System of Preferences privileges is now underway. A petition against Bangladesh's GSP privileges has been pending for five

years, the longest in our history. As this review process gets underway in Washington, frustrations mount as the reviewers cite the lack of progress in dealing with issues cited in the petition, such as workers' rights to freely organize and associate. This GSP review could send a negative signal on Bangladesh's commercial relations with America if the review results in the suspension of some or all of Bangladesh's GSP privileges in America.

I hope Bangladesh will undertake soonest to identify and implement tangible, constructive measures to address the concerns raised in the GSP petition, so the petition can be resolved satisfactorily.

My mother always says that challenges also present opportunities, and I believe that that is the case on the labor front. I believe that Bangladesh could make respect for labor rights a great asset. I would hope that Bangladesh ... owners, government, workers ... would come together to participate in a Better Work program with the support of the International Labor Organization. The Better Work program provides a ready means to address and resolve the labor issues of concern to buyers; a Better Work program can help ensure reasonable and predictable wages, labor productivity development, workers' freedom to associate, improved working conditions and safety. Vietnam, Indonesia and Cambodia have already enlisted into the Better Work program, which makes them appealing to international buyers. I believe that Bangladesh, too, can join the Better Work program so Bangladesh can become a preferred brand, a brand known and respected worldwide as a fair trade brand, a premium brand. I believe Brand Bangladesh should be a great asset.

I understand the Government of Bangladesh is working with the ILO to establish a Better Work program here, and I urge them to work as quickly as possible. I also urge you, both collectively as a chamber and individually as major owners and manufacturers and investors, to help them create an environment in Bangladesh conducive to launching a Better Work program, including reform of the labor law and ensuring a fair and transparent process for the registration of legitimate labor unions, in accordance with existing law. In this environment, the ILO would launch in Bangladesh the largest Better Work program in its history.

I think this is a critical point in the history of the RMG and household textile industries in Bangladesh. I think this is the moment when Bangladesh will decide whether or not to become the world's largest exporter of RMG and household textiles, whether or not to become the next Asian Tiger, the Royal Bengal Tiger, roaring onto the global economic stage as a power commensurate with its size as the world's seventh largest country.

I believe in Bangladesh; I believe that with your support and the support of other owners and manufacturers and investors, with the support of the Bangladesh government, with the support of Bangladeshi workers, Bangladesh could address and overcome the challenges constraining the RMG and household textile sectors, including the challenges relating to labor. Indeed, these challenges can be and

should be overcome and, I hope, will be overcome, as Bangladesh surges to the top as the number one RMG and household textile exporter in the world.

This is no dream; this is no mythical vision ... this is a reality waiting to happen ... and you are the key to making it happen.

For the sake of this great nation and its wonderful people, I wish you well as you endeavor to make Brand Bangladesh the most coveted of all.

Thank you.

=====

**As prepared for delivery*